

STATE OF VERMONT
PUBLIC SERVICE BOARD

Docket No. 7307

Investigation into Vermont Electric Utilities')
Use of Smart Metering and Time-Based Rates)

Order entered: 11/7/2011

**PROCEDURAL ORDER RE: PRINCIPLES FOR
OPT-OUT, PRIVACY, and CYBER-SECURITY**

On November 1, 2011, a workshop was held in this proceeding to consider three principles developed by the Department of Public Service (“Department”) and other parties to this proceeding to address issues related to the deployment of smart metering in Vermont. The three principles relate to privacy, cyber-security, and whether, and on what terms, consumers should have the option not to have smart meters deployed on their premises (generally referred to as “opt-out”). A public hearing had been held (on September 15, 2011) to provide an opportunity for public input. The workshop was convened to allow further discussion on the specific policies, which the Department and the distribution utilities request that the Board adopt.

I. SCHEDULE

After an extended discussion of the issues, in which non-parties were also permitted to offer comments and ask questions, I adopted the following schedule for further consideration of the three proposed policies.

November 14, 2011	Deadline for Filing of Motions to Intervene. Individual and entities seeking to Intervene must also demonstrate good cause for granting intervention at this time as well as a demonstration that they meet the criteria of Board Rule 2.209.
November 21, 2011	Responses to Motions to Intervene Due
November 21, 2011	Initial Comments on Proposed Policies Due. Non-parties that appeared at the workshop may also submit comments, which must be served on all parties.
December 5, 2011	Reply Comments Due

As mentioned at the workshop, public comments are also permissible and may be filed through the Public Service Board ("Board") website.

Any non-party submitting comments shall also have the opportunity to file comments on the Proposal for Decision I submit to the Board. Non-parties do not, however, have the right to appeal any final Board Order.

Commenters are also reminded that Reply Comments should be exactly that — replies to issues raised in the initial comments. The Reply Comments should not be raising new issues and it is not necessary to reiterate arguments previously made.

As I stated at the workshop, any party who believes that formal evidentiary hearings are necessary or that additional opportunity for responses are necessary remains free to file a motion seeking a change to this procedure.

II. ADDITIONAL QUESTIONS CONCERNING PROPOSED POLICIES

I have additional questions for the Department and the distribution utilities concerning the proposed policies and matters not specifically set forth in those policies. These parties should address these issues in their initial comments.

1. Should the principles include a requirement that the utilities must formally appoint positions and/or personnel to ensure that information security and privacy policies and practices are followed and updated? In addition, should the utilities require regular training and ongoing

awareness activities throughout the organization regarding security and privacy regarding the smart grid and consumer data?

2. Should the utilities be required to submit security and privacy plans each year to the Board for review and approval?

3. Should the utilities and the Department meet every six months, to discuss privacy and security? Further, should the Board receive a privacy and security report after each meeting of the utilities and the Department?

4. Should the utilities conduct yearly privacy and security audits?

5. Data Minimization: Should the collection of data be restricted to data necessary for planning and management; improving efficiency; and account management and billing?

6. Data Retention: Should the utilities be required to discard data after a specific period of time?

7. Data Disclosure: Should the utilities allow access to customer data by customers and by authorized third parties? If not, explain why. If yes, should the utilities be required to allow access to customer data by a certain date?

8. Privacy Statement Number 9 states that "Customer personal information and data shall not be sold, given or in any fashion conveyed to third persons for any commercial purpose whatsoever without the written, express consent of the customer". Does this include VEIC (Vermont Energy Investment Corporation), which clearly uses information for commercial purposes (to conduct its efficiency programs) and other non-profit and educational institutions that may utilize customer data to create marketable programs?

9. Is the cyber-security plan referred to in Attachment C of the Department's proposed policy statement a part of the record in this proceeding? If so, the Department and/or distribution utilities should file a copy of it.

SO ORDERED.

Dated at Montpelier, Vermont, this 7th day of November, 2011.

s/ George E. Young
George E. Young
Hearing Officer

OFFICE OF THE CLERK

FILED: November 7, 2011

ATTEST: s/ Susan M. Hudson

Clerk of the Board

NOTICE TO READERS: This decision is subject to revision of technical errors. Readers are requested to notify the Clerk of the Board (by e-mail, telephone, or in writing) of any apparent errors, in order that any necessary corrections may be made. (E-mail address: psb.clerk@state.vt.us)